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ABSTRACT

The implications of declining enrollments for the University of Wisconsin (UW) system are addressed. The Wisconsin State Legislature mandated that the Board of Regents report by November 30, 1979, on its plans to deal with the prospect of a significant decline in University of Wisconsin enrollments in the 1980s. Basic assumptions are as follows: (1) enrollment of degree-credit students will decline sharply between 1983 and 1993; (2) enrollment-related funding supplied by state government to the UW system will decline in constant dollar terms during the period of enrollment decline; (3) enrollment and fiscal decline will require hard choices made in timely ways; and (4) analysis and recommendations should address both enrollment decline and enrollment-related fiscal decline facing the system and its institutions in the next 13 years. The Regents have conducted a review of the missions of the 13 universities and the Center System. Recommendations regarding the UW-Superior and the UW Center system, their current situation and projected changes in enrollment and fiscal allocations, are reviewed. Based on the review, it is concluded that: effective and efficient management tools for addressing and resolving most of the academic and institutional problems associated with enrollment decline (program reductions, mission changes, and fiscal constraints) are already in place in the UW system, are working, and should be continued. Special planning and allocation mechanisms that are recommended include: a 6-year planning cycle for all institutions and system administration and a special planning requirement regarding institutional review. Instructional personnel policies and enrollment-related funding are also addressed. (SW)

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PREPARING FOR A DECADE OF ENROLLMENT DECLINE

A Report from the Board of Regents of the University of Wisconsin System to State Government and the People of Wisconsin

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November 30, 1979

HE 015225

This report has been prepared to be read. The issues involved are too important--and too urgent--for their discussion to be postponed, or for the document itself to be relegated to dusty library shelves. To encourage reading and discussion, the report has deliberately been kept short, and to the point. It contains no footnotes, no cross references to confuse the issue (or the reader).

Brevity, while welcome, runs the risk of oversimplifying a complex subject, or making disputed conclusions appear too orderly. Within the tight time constraint established by the Wisconsin State Legislature, the Regents, System Administration, and the Institutions of the University of Wisconsin System have gone through an extensive process of fact-finding, review, analysis and consultation. As might be expected, given the emotions which issues related to declining enrollments provoke, that process has not always been tidy, or without controversy. Some of the fruits of the process may be seen in the lengthy set of appendices accompanying this report, which provide the "detail" for many of the conclusions we have reached, as well as a flavor for the framework in which they were reached. We hope that all of these materials too will be read.

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INTRODUCTION

The dominant theme of the public dialogue of the next two decades will concern "limits": limits to resources, both physical and fiscal; limits to growth (as it has been historically defined); limits to the capacity of society to resolve all problems with which it is confronted. In many of its dimensions, this theme is profoundly against the American grain.

In no sphere is this more the case than the university, where it is an article of faith that knowledge is a public good whose pursuit must not be limited, and where the ability to transcend and transform limits to human growth is fundamental to the mission and the purposes of people and institutions. There are few advances of the twentieth century which cannot be traced, directly or indirectly, to the investment our predecessors made in the future, through their commitment to higher education and the products of its teaching, research, and imagination. Even within a climate preoccupied with constraints, the demand for the university's most important contribution--the expansion of knowledge--is likely to continue to grow, and dramatically.

With its special purpose and heritage, it is arguable that the university has the most crucial role of any institution in the larger social debate concerning limits, and that no investment in our future could be more prudent. But this observation taken alone ignores a fundamental reality. The counsel of a community of teachers and scholars, however vital and important, will not be heard in an era of resource constraints--will not be credible--if it is not consistent with the way that community manages its own affairs. As enrollment decreases reduce the demand for some university services, so too must the real resources devoted to those activities be limited. The institution whose business is the tearing down of real and imagined barriers to knowledge and progress, must forthrightly face up to the challenge of limits in its own backyard. And it will.

The Session Law (Section 2054)

ENROLLMENT DECLINE STUDY. (a) The legislature finds that declining enrollments in the university of Wisconsin System have led to imbalances in the allocation of funding among the campuses of the system and to substantial variations in the support available at each campus for the education of students; that prospective, further enrollment declines are likely to widen the already substantial variations in support among the campuses; that the institutional and program array of the university system must be reviewed in light of prospective enrollment declines; and that appropriate planning activities must be undertaken to ensure the maintenance of program quality within a university system of reduced enrollment. The state of Wisconsin will not continue the current level of fiscal support of the university system when enrollments no longer justify that level. Accordingly, the board of regents of the university of Wisconsin system shall:

1. Review the missions, program arrays and corresponding fiscal requirements and issues related to faculty tenure, tenure density and nontenured faculty of each of the institutions of the university of Wisconsin system in light of enrollment levels in the 1980's and 1990's.

2. Establish system policies and procedures for the development and review of institutional plans for program reductions and mission changes in response to enrollment declines.

3. At institutions where current missions and program arrays are not sustainable at anticipated levels of enrollment and at costs which are comparable to other institutions within the same doctoral or non-doctoral campus grouping, take actions within its statutory powers to achieve scopes of operation consistent with enrollments at those institutions or, in instances where legislative action is required, request such action.

(b) If, in the judgment of the board of regents of the university of Wisconsin system, a campus cannot be sustained as a 4-year and graduate campus at a level of fiscal support within 30% of average support within the same doctoral or nondoctoral campus grouping, the board of regents shall prepare an implementation plan for altering the mission of the campus.

(c) The board of regents of the university of Wisconsin system shall report the results of their review and their determinations to the legislature and the governor prior to November 30, 1979.

THE LEGISLATIVE MANDATE

The Wisconsin State Legislature has mandated that the Board of Regents report by November 30, 1979, on its plans to deal with the prospect of a significant decline in University of Wisconsin enrollments in the 1980's. In his 1979-81 Executive Budget recommendations, the Governor of Wisconsin called for a similar report, focused in particular on the issue of managing a decline in enrollment-related funding. The concerns of the Legislature and the Governor are both understandable and timely. Over the past century, no institution or public investment has meant more to the economic, intellectual or political vitality of this state.

Maintaining the historic legacy and vitality of the universities of the Wisconsin System in a decade of enrollment decline, escalating inflationary pressures, and strongly competing priorities for public dollars, will be a more complex challenge than any faced by public higher education in Wisconsin in the last century. Everyone associated with the University--students, parents, faculty, staff, Regents, elected officials and the citizens they represent--will be caught up in this challenge and the consequences of the decisions which must be made. The decade can be an occasion for creativity and progress, or for resignation and retreat. If it is to be the former, difficult choices involving healthy but painful processes of pruning must be undertaken, and significant sacrifices will be required of all involved. But the alternative, aimless drift into retrenchment, would be far worse--a betrayal of our responsibilities to the generations which follow.

Recognizing the reality of the challenge before us is the first step to meeting it. The sky is not falling, but neither can the sky ever be viewed as the limit. In the 1980's, the public support which the University of Wisconsin System receives, and the degree of independence which it maintains, will be in direct proportion to the extent that it is perceived to be seriously addressing its own problems. Accordingly, in responding to the mandate of the Legislature, we begin with a number of "givens"--some of which we may not like, or totally agree with--but which we accept, as forming the parameters for the choices which the University of Wisconsin System faces over the next decade.

THE RESPONSE: ANTICIPATING THE 1980's

The challenge of prospective enrollment decline, and the fiscal implications implied by such decline for the University of Wisconsin System, takes many forms. Some of the most urgent questions were identified by the Legislature in its mandate for this report; others were not. In our review and analysis, we have focused on the issues of most immediate relevance and concern. We began by asking:

*What are the "givens"--within what set of assumptions should we conduct this review?

*Given these assumptions, what is the best judgment we can now provide about the enrollment, fiscal, and personnel realities facing the UW System in the next decade?

Using these assumptions and judgments, we then asked the following basic questions:

*Are there steps which must be taken now to review or alter the fundamental mission of any university or center within the System?

*Are the policies, procedures and planning mechanisms developed in the 1970's to manage fiscal allocations, program and curricular growth and contraction, sufficient to meet the test of prolonged enrollment decline, or should new initatives be undertaken?

*Are the rules, procedures and programs now in use for administering instructional personnel decisions sufficient to meet the test of prolonged enrollment decline, or are new initiatives required?

*Will the current enrollment funding formula used by state government accurately reflect instructional cost behavior in a period of enrollment decline, and responsibly relate to wise practices in program, curricular and personnel management?

We do not claim to have answers to all of the issues which these questions imply. Nor do we want to suggest that these are the only questions which need to be asked. In particular, some aspects of managing contraction, such as concerns about non-instructional staff, have not received detailed attention, not because they aren't important, but rather, because establishing the framework in which

they will be addressed in the 1980's is more important. And some major public issues facing the University, such as the equity of future fee and tuition levels, have been "set aside" at this time, in order to establish practical limits to this report. Our priority has been to find the answers that are required now both to meet the needs of the elected officials of Wisconsin, and our own.

BASIC ASSUMPTIONS

1. Enrollment of degree-credit students will decline sharply between 1983 and 1993.

   Enrollment projections are less certain as they are taken farther into the future, and reasonable differences of opinion may exist as to the size of the decline that will actually take place. Nevertheless, we should plan now with the assumption that Systemwide enrollments will drop by approximately 19,000 full-time equivalent students by 1993, after which they should stabilize and enter a period of growth by 1995. This decline means an enrollment shrinkage of approximately 15%.

   The impact of enrollment decline on particular institutions and programs may be severe, depending upon how the decline in managed. Projections become progressively less accurate as they are distributed among institutions, and even less accurate when applied to individual programs, but the reality of the overall demographics necessitates a longer-term institutional planning framework, if enrollment contractions are to be dealt with rationally. This framework should assure that long-range decisions are made in a timely way, using the best projections available, while permitting adjustments in response to actual enrollment experience as this unfolds from year to year.

2. Enrollment-related funding supplied by state government to the UW System will decline in "constant dollar terms" during the period of enrollment decline.

   Funding of the teaching mission of the University of Wisconsin System is supported by the state's enrollment funding formula. Reduced enrollments mean reduced enrollment funding monies. The fiscal decline which results will not be directly proportional to enrollment decline, since some of the costs of instruction do not vary with marginal, year-to-year changes in enrollment. It will nevertheless be of major dimensions. Fiscal decline may also result from the continuing impact of inflation, if that impact is not addressed by the state with adequate inflationary offsets.

   "Constant dollars" for the University System must be judged in relation to the level of personal services and instructionally-related supplies which can be sustained, after allowance is made for the impacts of cost inflation and compensation levels. Within that definition, the University System and its institutions must assume that significant enrollment decline should and will be accompanied by a significant decline in resources in support of student instruction. And we must plan accordingly.

3. Enrollment and fiscal decline will require hard choices made in timely ways.

Instructional budgets will shrink in constant dollar terms, and this means that shrinkage must take place in curricula, program arrays, and in some cases, the missions of particular institutions. A major responsibility of the Board of Regents is to assure that all such decisions are measured against the historic UW goals of assuring educational quality and providing reasonable educational access. There is no precise calculus which may be applied in making these decisions. What is certain is that to the extent that they are educational decisions, they are best made within the UW System, taking advantage of a strong and effective tradition of shared governance.

4. Steps required to improve the UW System's capability to manage decline cannot be postponed.

If present estimates are accurate, the greatest impact of enrollment decline on the System as a whole will not take place until 1987-1993. By that time, all institutions will have necessarily confronted the dynamics of instructional retrenchment. Starting immediately, intensive review and decision processes seem indicated for two institutions. Before 1987, such intensive processes may be indicated, in terms of established criteria, for one or more additional institutions.

Most important to the System and institutions at this time is the work of establishing and testing the policies, mechanisms, and procedures which can bring about timely and wise actions in the future. You cannot program an oceanliner as it departs London for the intricate docking maneuvers which will be required of it when it reaches New York. Nor should you lock it into a transatlantic course which does not allow for any adjustments when the weather changes. But you should simulate a variety of courses before you depart, and you should be able to identify early potential storms of such a magnitude that outside assistance (in the form of a push or a tug) will be required. So too with the University System. It should plan for the long journey, but keep in mind that some adjustments cannot be made until well into the 1980's. If fundamental decisions concerning the fate of individual institutions will be required, the process of University planning and decision making should identify these early, so that their economic and political consequences may be reviewed by the Legislature and the Governor.

5. The sole focus of the analysis and recommendations included within this report should be on the twin phenomena of enrollment decline and enrollment-related fiscal decline facing the System and its institutions in the next 13 years.

There are many imperatives which face the University of Wisconsin System over the coming decade that will not be discussed in this report: the need to maintain or improve institutional program quality, through innovation and adaptation (a need which is difficult to meet in the absence of program growth to fund it); the need to respond to a growing adult population, and its demand for alternative educational opportunities; the need of society for a University System which can expand the pool of available knowledge to confront the challenges of the twenty-first century. These and other issues must and will continue to be addressed through budget proposals of the Regents, and the response of state government to these proposals (in terms of the relative priority assigned to competing claims for tax dollars). But the discussion of such imperatives should not be allowed to diffuse attention here from the urgency of the problems of enrollment and instructionally-related fiscal decline, and the seriousness of the University's framework for responding to that reality.

The Realities of the 1980's: Where We're Going

- By 1985, enrollments within the entire UW System are projected to decrease by 10,000 students, or 7%, on a headcount basis, and 9,600 students, or 7.5%, on a full-time equivalent (FTE) basis, from the current all-time peak enrollments of 1979-80. The number of FTE students then will be approximately equal to the number served in 1969-70.

- By 1990, enrollments within the entire UW System are projected to decrease by 16,000 students, or 10.5%, on a headcount basis, and 15,000 students, or 12%, on a FTE basis, from the all-time peak enrollments of 1979-80.

- By 1985, the reduction in the base budget of the UW System for accomplishing its teaching mission necessitated by reduced enrollment funding, using the current enrollment funding formula, would be $12.5 million (in constant dollars), or about 4% of the instructional budget of the UW System. By 1990, the reduction would be approximately twice this.

- Given projected enrollments, and a legislative mandate that institutional costs remain within 30% of the cluster average, over $1 million will need to be taken out of the budget of UW-Superior (in addition to base reductions already planned) in order to meet this requirement by 1985. UW-Superior is the only four-year institution which exceeds this threshold in 1979-80, or in six-year projections. Three UW Centers -- Barron County, Richland Center and Medford -- exceed the Center System average by more than 30%.

- On a universitywide basis, several institutions may face significant problems of faculty constriction over the next decade. On a departmental basis, most institutions will experience some faculty dislocations, due to the combination of an overall enrollment decline, changing student program preferences, and restrictions on funding.

INSTITUTIONAL MISSION REVIEW

Projections of declining enrollments for the University of Wisconsin System in the 1980's imply hard choices among programs, missions and institutions for faculty, administrators, and elected officials. Simply stated, these are choices as to resource allocation--who will get the dollars. More important than "who gets what," however, is the assurance that hard decisions--when they are required--will get made, and that they will be made in a fashion which is fair, rational, and reflective of the priorities of the people of Wisconsin, as expressed through their state government and the Board of Regents.

The most difficult choice of all relates to whether the mission of a particular institution should be fundamentally altered, or even, whether an institution should be closed. Decisions of this magnitude cannot be made without the involvement of the Legislature and the Governor of Wisconsin. Nor should they. But if they are to be made with a proper concern for balancing the conflicting demands of quality, access, and fiscal reality, they must begin with the Regents and within the University itself.

Toward that end, and responsive to legislative concern, the Regents have conducted a review of the missions of the 13 universities and the Center System, confining our inquiry to the most urgent and manageable question: Do current or projected enrollment and fiscal circumstances suggest that particular institutions face, or will face, problems of such magnitude as to warrant immediately a specific and in-depth examination of their missions? (We did not review the mission of UW-Extension, because, as the Legislature has recognized, the demographic, fiscal, and program-planning assumptions concerning that institution are quite different; we will address the role of UW-Extension in two separate reports, as mandated by the Legislature.)

The missions of the institutions of the University of Wisconsin System were approved by the Regents in 1973 following an extensive review process, which included public hearings at each institution. The mission statements express the fundamental educational purposes or goals of each institution, and identify the boundaries within which intitutions may, subject to Regent program-by-program review and approval, plan academic programs, and develop an appropriate curriculum to implement those programs.

In a period of projected enrollment decline such as the 1980's, the initial institutional response should involve steps to shrink the curriculum as program demands become smaller, or to eliminate low priority programs altogether. Only in extraordinary circumstances should major changes be required in the basic mission of particular institutions, even though continuing and accelerated changes in curricular offerings and program arrays may be anticipated. A significant change in mission may normally be expected to require a revised program array, but the opposite need not be the case. Major changes in the curriculum or program array of an institution could be undertaken without a change in its mission.

In our review, we found that for two institutions, the UW-Superior and the UW Center System, their current situation, together with projected changes in enrollment and related fiscal allocations, raise questions of such magnitude as to suggest the need for a special examination of their missions:

- The current per student support cost at UW-Superior is significantly above (142%) the threshold of 130% of the University Cluster average, which under Sec. 2054(4) of the 1979-81 budget act requires a re-examination of the mission and program array of an institution. Bringing UW-Superior within this mandated threshold in the next six years (under its current mission) could mean potentially crippling budget reductions.

- The per student support cost of several Centers (Barron County, Richland Center, Medford) is presently above the special threshold internal to the Center System (120%) recommended by the Regents in 1975 for initiation of a review of the roles of such Centers; and projections offer little cause for future optimism.

To assure timely, fair, thorough and systematic review of the missions of these institutions, we have taken an extraordinary step. The principles we have followed in taking this step may be succinctly summarized:

*Major mission changes should be contemplated only where the most serious consequences are anticipated. Less drastic steps, such as program and curricular reductions, can respond effectively to less severe problems.

*When significant mission change is contemplated, an implementation plan should be set in motion which assures thorough analysis of all alternatives and viewpoints, but leaves no room for hard decisions to be avoided or postponed.

Because of the significance of this action, it is important that none of its details be obscured. Our complete directive to the President of the UW System is as follows:

"In order to address expeditiously changes of the difficulty projected here, which may be beyond the capacity of the individual institutions to resolve, the Regents conclude that System task forces should be appointed by the President by January 1, 1980:

a. With respect to UW-Superior, we direct the President of the System, after consultation with the Chancellor, to appoint a special task force which includes representatives of the System Administration, of faculty and administration from other institutions of the System and, as suitable, of faculty or staff from other public institutions of higher education. Resource people to assist the task force should be drawn from the UW-Superior and from such other sources as the President deems appropriate.

The review of the mission of UW-Superior should include consideration of the public interest of the State of Wisconsin in providing for the educational needs of the citizens of northern Wisconsin. This examination must be a fundamental review which looks seriously at all feasible alternatives in light of the fiscal realities facing this institution. The task force should seek options which will maintain quality programs and at the same time keep costs within the 130 percent of average cluster costs specified in the 1979 Session law. (See Section d. below.) The task force review should include, but not be limited to, the following alternatives or combinations of alternatives:

- Explore selected program additions of high student interest and societal need;
- Retain present programs, but reduce their instructional scope;
- Contract or eliminate schools or colleges, or upper division undergraduate programs;

- Re-examine the scope of the outreach and research function;

- Explore the delivery of educational services through new relationships with regional post-secondary institutions.

The Regents note with approval the academic planning initiative undertaken by the faculty and administration at UW-Superior, and their acceptance of the premise that changes in the mission of that institution are in all probability required. The recommendation of the Regents is consistent with this campus initiative, but accelerates the time schedule for development of definitive recommendations, and implements forthwith the external examination of alternatives. It is appropriate for the University to continue with its internal examination as a source for information, analysis and perspective to the work of the President's task force.

Before the report is submitted to the Board of Regents, it shall be submitted to the faculty and administration of the UW-Superior for study and reaction.

b. With respect to the UW-Center System, we direct the President of the System, after consultation with the Chancellor, to appoint a special task force which includes representatives of the System Administration, of faculty and administration of other institutions of the System and, as suitable, from other public institutions of higher education. Resource people shall be drawn from the UW Center System and from such other sources as the President deems appropriate.

In its review, the task force should, because of current enrollment experience and projections, examine in detail the programs of three Centers: Barron County, Medford and Richland. This review shall not only consider alternatives in light of the impact on unit costs of the current and projected enrollment declines, but also with respect to the capacity of the System to maintain academic programs at the standards of quality and breadth appropriate to this level of instruction. It may require an examination of the structural, governance, and support assumptions now present in State laws and Regent policy for the Center System as a whole. The review should be responsive to the public interest of the State of Wisconsin in serving the educational needs of citizens of the communities in which these Centers are located, and recognize the role of these communities in the support of Centers. While we must assume that the historic desire of the state to maintain higher education access for all of its citizens has not changed, the present and foreseeable circumstances of the Centers identified require a responsible examination of all potentially viable alternatives, including, but not limited to, the following:

- Realign some of the Centers into regional groupings;

- Revise the two-year mission of some of the Centers (perhaps in combination with other alternatives listed here);

- Re-examine the potential for greater cooperation and other alternative arrangements with VTAE;

- Attach some Centers to one or more of the universities, where history and geography make this reasonable;

- Assign responsibility for Level I instruction now provided by some Centers to other Centers or Universities and close the Center whose mission has been redeployed.

The Regents and System Administration are well aware of the significant planning efforts and cost reduction measures taken by the Center System Administration to deal with the problems of declining enrollments at some Centers, and of the stringent monitoring of instructional costs which this institution has undertaken during the continuing period of austerity budget reduction.

Before the report is submitted to the Board of Regents, it shall be submitted to the faculty and administration of the UW Center System for their study and reaction.

c. In conducting these special studies, the task forces should assume that the UW System budget planning for the next six years will continue to be based on current State and System policies governing the budgeting of enrollments. The targeting and implementation of budget reductions shall continue as required under the enrollment funding formula to reduce the enrollment target capacities and funding of UW-Superior, UW Center System and other institutions as appropriate to their respective enrollment projections.

d. The intent of the guideline in c. is limited to achieving institutional and System planning consistent with existing State policy and with the fiscal constraints applied to the UW System as a result of that policy. The guideline is not intended to preclude consideration of changes in State policy. Clearly the adequacy of the current state enrollment funding formula is in question. This question is evident in the Governor's Executive Budget Policy Paper on enrollment funding, in the Legislative Council's study of the formula, in the System Administration's extensive work on this matter, and institutional experience with application of the formula.

There is also a possibility that revisions in the enrollment funding formula might be followed by modifications in the System's internal fiscal planning. Changes in the internal fiscal management of the System could extend to monitoring devices such as the Composite Support Index, which is used as one of the measurements of unit costs in relation to the 130% tripwire specified in Section 2054 of the 79-81 budget act.

Therefore, given the range of variables in State and System budget policy and practice having a bearing on the work of the special task forces on UW-Superior and the Center System, the Board of Regents specifies: (i) that the special task forces should be kept informed of changes in State enrollment funding policy and related System fiscal management approaches; (ii) that the President, in consultation with the Board, may reinterpret the planning assumptions and budget adjustments inherent in c. as the review of State policy progresses; and (iii) that a byproduct of the task forces' execution of their charges may be suggestions to the President and the Board on changes in State and System policy and practice found to be appropriate during the course of their work.

e. The timetable for these special studies is proposed so as to mesh appropriately with the planning and submissions required under the 1981-83 biennial budget, so that any proposals which may require legislative action are developed in a timely fashion. The timetable for both the UW-Superior and the UW Center System studies is as follows:

(1) Appointment of the special task forces by the President of the System: January 1, 1980;

(2) Preliminary report to the President: June 1, 1980; (During the five months following submission of the preliminary reports, they would be transmitted to the UW-Superior and the UW Center System for review by the faculty and administration. This period would also provide opportunity for further testing and refinement of proposals made by the task forces.)

(3) Report to the Board of Regents by the President: November 8, 1980."

MANAGEMENT FRAMEWORK

The potential consequences of declining enrollments should not be underestimated. But neither should their significance be exaggerated. The resource allocation decisions involved differ more in degree than in kind from the choices which the UW System has been required to make for a number of years. One consequence of university merger and the productivity cuts and budget restrictions which have been placed on the University since 1975, is the development of administrative, planning, personnel and program evaluative mechanisms which provide a foundation and a framework for the efficient management of academic resources in a period of projected enrollment decline.

The Realities of the 1970's: Where We Are

- From 1969-70 to 1979-80, enrollments (headcount) within the UW System increased from 127,147 to 150,250 (18%), or from 117,123 to 126,700 (8%) on an FTE basis.

- From 1969-70 to 1979-80, the proportion which the University's budget represents of all state operational expenditures (GPR) declined from 45.6% to 35.2%.

- 87% of the net growth in FTE students of the System since merger (1971-72) has not been funded under the enrollment funding formula.

- At the time of merger (1972-73), appropriations of state funds for higher education in Wisconsin (including VTAE) placed this state 4th in the nation, on a per capita basis. In 1979, the rank was 17th.

- From 1969 to 1979, appropriations of state funds for higher education in Wisconsin (including VTAE) increased by 183%. This placed Wisconsin 34th in the nation in the proportion of increase over the decade.

- In the fall of 1979, the total number of UW System faculty was approximately 5% (375 FTE) lower than in 1973-74, despite a 6.5% increase in total student credit demand over that period.

- The tenure density of the UW System increased from 64% in 1973-74 to 73% in 1979-80. (These figures apply only to faculty, and do not reflect the use of fixed-term, non-permanent "instructional academic staff," to increase personnel flexibility.) Over the same period, the proportion of instructional academic staff of total instructional staff within the System increased from 5% to 12% (budgeted FTE).

- From 1973-74 to 1979-80, the average age of UW faculty went from 41.9 years to 44.7 years.

- On an institution-wide basis, in 1979-80, most institutions within the UW System had a balance between tenured faculty and other instructional staff which was within an appropriate range to assure personnel flexibility, but tenure density at the departmental level was in some cases cause for significant concern. Three institutions (UW-Oshkosh, UW-Platteville, UW-Whitewater) had approximately 40% or more of their instructional staff in departments, each of which has committed 80% or more of its instructional positions to faculty with tenured appointments.

- The range of institutional support--from lowest to highest--within the University Cluster of the UW System (as measured by the Composite Support Index) was 59% in 1972-73 and 51% in 1979-80. Excluding the one institution which experienced a disproportionately severe enrollment decline (UW-Superior), the range in 1979-80 is 37%.

These mechanisms and policies have survived the most stringent kind of field testing. While some modifications will be required to address acute problems, the University of Wisconsin System will not be required to "start from scratch" as it combats the harsh demographics of the 1980's.

Our conclusions from this review are as follows:

*Effective and efficient management tools for addressing and resolving most of the academic and institutional problems associated with enrollment decline -- program reductions, mission changes, and fiscal constraints -- are already in place in the UW System, are working, and should be continued.

These tools include:

--Enrollment targeting for individual institutions, for a four-year planning cycle, updated annually, to promote an appropriate relationship between institutional resources, enrollment and program quality.

--Fiscal targeting of individual institutions, on a four year planning cycle, updated annually, to shape allocations among institutions, leading to more equitable resource-enrollment-quality relationships, consistent with enrollment targets.

--Use of the Composite Support Index (CSI) as a benchmark within the UW System to compare the support for instructional programs between institutions, assist in the development of appropriate fiscal and enrollment targets for each campus and monitor their consequences.

--Systematic and ongoing academic program assessment, at both the institutional and System level, in accord with guidelines established by the Regents, to support decisions on program priorities and reallocations, consolidation, reduction or elimination and quality assurance.

--Systematic educational policy development to keep statewide educational opportunities related to societal needs and qualitative goals through: ongoing statewide planning studies (e.g., education professions, engineering, business administration, basic skills, extended degrees, minority students, etc.) of the educational needs of particular groups of Wisconsin citizens; qualitative and quantitative educational standards and goals; and new tools for program assessment in particular curricular areas.

Each of these tools has been developed since the merger of the UW System. The application of the first three has allowed resource discrepancies between institutions to be recognized and addressed. While abrupt changes in student preferences among institutions have sometimes caused problems of funding and equity, the strength of these tools is that that is exactly what they are: tools--which establish benchmarks, make Systemwide priority-setting possible, but still allow the exercise of human judgment in reviewing the special circumstances of particular institutions. From 1977-78 through 1980-81, fiscal reductions totalling more than $5.5 million were taken out of the budgets of seven institutions, with the aid of these tools; and additions amounting to $4.1 million were made to the budgets of seven other institutions.

The program assessment process is a management device of a different type. Since 1975, more than one hundred programs have been dropped from the UW System, as a result of this process. Less visible, but more important, have been the changes in ongoing programs that have resulted from this systematic review procedure, which, over a period of years, touches every program in the University System. As enrollments decline, this process will be crucial to deciding where costly overlap may exist, and consolidating or eliminating unnecessarily duplicative or no longer viable programs.

*The potential impact of declining enrollments on particular campuses necessitates the development of special planning and allocation mechanisms, which provide for the best possible use of the educational resources of each institution, and make certain that difficult decisions are made in a prudent, equitable, and timely fashion. These special mechanisms should involve each affected institution, but also, where required, a more intensive interaction between the institution and the System.

Recommended mechanisms are:

1) A Six-Year Planning Cycle for all institutions and System Administration, with current planning and allocation tools applied in this framework, to assure timely recognition of long-range problems associated with enrollment decline, and effective response.

2) A Special Planning Requirement, to assure the orderly review of an institution's programs and situation, when certain "thresholds of concern" are crossed; and the implementation, where necessary, of appropriate changes in program or mission. The Special Planning Requirement will have a six-year time frame, and would be initiated for an institution by the System President when, in his or her judgment, after reviewing the institution's total situation, it would be difficult for that institution to achieve its historic mission without significant change. The signals for that review would be when six-year projections for an institution cross one or more of a series of thresholds that may be indicative of potentially serious management problems. These thresholds include:

(a) When an institution's actual or projected Composite Support Index exceeds its targeted CSI by at least 6%.

(b) When actual or projected enrollment or related fiscal decline exceed 5% in any one year or 12% over the six-year planning period.

(c) When the institution's fixed instructional cost exceeds 65% in the current year or has increased by more than 10 percentage points in the previous two years.

(d) When the projected percentage of faculty, teaching academic staff, and graduate teaching assistants whose contracts terminate in any one year is less than twice the percentage of projected enrollment decline in any one year.

(e) When the institution has 35% or more of its instructional staff in departments, each of which has committed 80% or more of its instructional positions to faculty with tenured appointments, and where enrollment decline of more than 5% (for any one year) or 12% (over the six-year planning period) occurs or is projected for at least half of those departments.

In addition to these judgmental thresholds, there would be one absolute "trip-wire" for the special planning process. This is the threshold established by the Legislature in Sec. 2054(4) of the 1979-81 budget act:

(f) When an institution's Composite Support Index is projected to exceed the weighted cluster average by 30% or more.

The Special Planning Process would provide safeguards to assure consultation at every step of the process, and would, under most circumstances, make full reliance on the planning tools and shared governance procedures within each institution. Under extraordinary circumstances, however, if it became apparent to the President and the Board of Regents that the adjustments required of an institution were so great as to be impossible through normal campus procedures, a System Task Force would be established, to make recommendations to the Board.

In short, the special planning mechanism will assure that the realities of an institution's situation would be confronted <u>early</u>--preferably at the campus level, but if necessary, at the System level--and that the Board of Regents would be given the information it needs in order to act.

3) A System Program Initiative Process, to assure, through careful educational innovation, that the consequence of program reductions and phase-outs necessitated by declining enrollments and changing student needs is not a decline in the continued quality and relevance of academic offerings within the University System.

4) A System Facilities Use Project Team, using existing staff at the System level, to assist institutions in the cost-effective use, sale, consolidation, recycling, razing, or preservation of unutilized or under-utilized university buildings; and to assist the Governor and the Legislature in researching or drafting any changes in the law which may be required.

None of these tools assumes a particular action for a particular institution. Each reflects a recognition of the necessity of facing decisions early, before enrollment declines and fiscal limitations require them, and when educational quality can be best preserved in balance with resource constraints. They are designed to place the management of the UW System and its institutions in a position to anticipate and accommodate the long lead times necessary to implement contractions in course offerings, curricula, program arrays, and even, where necessary, institutional missions--and associated personnel reductions. The versatility of these mechanisms should make them particularly useful in responding to differential patterns of enrollment decline among institutions. Adequate tools will not always make these decisions less painful. But they will always make them better.

INSTRUCTIONAL PERSONNEL POLICIES

Since merger, and most dramatically, the layoffs of tenured and probationary faculty in 1973-75, few issues have received more attention within institutions and UW System Administration, than those related to instructional staff requirements and personnel policies, as the System prepares for the 1980's. Principal concerns have been:

--Trends toward greater tenure density within institutions, resulting from the staffing needs of the 1960's and early 1970's, which will constrict institutional flexibility in combating the demographics of the next decade.

--The implications of higher tenure density and an increasing age profile within faculties for the long range quality and vitality of teaching and program offerings.

--The need for Systemwide policies to assure procedural consistency and equity in personnel matters, to provide an acceptable framework for coping with the hard choices which may be forced by declining enrollments, and to reflect lessons learned from the trauma of the 1973-75 lay-offs.

Each of these areas has received intensified attention over the past year, both in response to legislative interest and to our own sense of urgency.

Our conclusions from this review are as follows:

*Personnel and management approaches which the University System has established since merger provide major elements of the framework required to respond to changing faculty needs in an era of declining enrollments.

In the years since merger, the University System has addressed the problems associated with changing faculty profiles in a number of ways, including:

--Development of comprehensive system personnel rules, policies and procedures.

--Establishment of a better data base at both the System and the institutional level, to monitor changes in faculty and student demographics and anticipate trends in the making.

--Implementation of Regents' policies on faculty development, retraining and renewal, to make greater flexibility and program vitality possible, within a framework of increasing tenure density.

--"Encouragement" of institutions to address short-range enrollment increases in the 1970's in light of the probable declines which will occur in the 1980's, by meeting temporary teaching needs with non-permanent appointments.

Most of these initiatives would have occurred without the prospect of future enrollment decline confronting the University; a few might not have. Serious issues involving the nature of institutional faculties--in particular, questions of program quality and vitality, as they relate to academic age and tenure profiles--are inherent in the management of any educational institution. The primary additional problem introduced by declining enrollments is a concern for flexibility.

*Responsibility for instructional staff management is and should remain at the institutional level.

There are many factors and judgments which might enter into the establishment of a "benchmark" for tenure density within an institution or a department. Departmental level judgments cannot be made without reference to individuals--their professionalism, their capability to keep up-to-date within the discipline, the courses they teach, the current and future demand for those courses. A department could have a high tenure density, and score well on all of these criteria; or it could have a low tenure density, and score poorly. It could look good now, but because of the average age of its faculty (either high or low), face a quite different situation in the coming years. Sharp intra-institution shifts in program demand could alter the picture in still other ways. Finally, a department could have a high tenure density, but because of extensive use of non-tenure track instructional academic staff for teaching, hired on a year-to-year basis, have great flexibility and a personnel dynamic not understandable looking only at its faculty.

The Board of Regents and System Administration cannot--and should not--make determinations at this level. No across-the-board departmental benchmark can adequately balance considerations of program quality and vitality with the demand for those programs. The primary responsibility of System Administration is to assure that sufficient flexibility is maintained at the institutional level, to allow faculty personnel decisions to continue to be made in a fashion most protective of quality and vitality, as the demand for particular programs declines, or where mission changes may be anticipated.

*The tenure system is the bedrock upon which a free academic institution is grounded, essential to the maintenance of quality in teaching and research.

Problems associated with the administration of that system cannot and must not be confused with either its purpose or its fundamental character. It is not a "mechanism" to assure job security in a period of reduced need for instructional faculty in particular program areas. It is a body of rights designed to provide the strongest possible assurance that when and if layoff decisions must be made, the ideas which a professor espouses will in no way affect them. This assurance cannot be compromised. Nor can the concept of tenure as a fundamental principle in ensuring faculty and programmatic quality. In few other societal structures does one find a similarly rigorous quality control mechanism.

*If academic dislocations associated with declining enrollments are to be managed in a fashion which is protective of program quality and vitality, and avoids human trauma, some immediate initiatives are required of both institutions and System Administration.

No academic administrator can afford to be sanguine about the decade ahead. Planning based on "worst case" assumptions may lead to an institutional paralysis which eliminates the possibility of constructive remedial action; overly-optimistic assumptions could assure paralysis by postponing action until it is too late. What is required now is realism. That realism must begin with recognition of the important steps already taken, which have reduced the scope of the most acute problems associated with faculty constriction. But it cannot stop with that. We recommend:

1) Development of innovative mechanisms, both within and outside of the UW System, to provide constructive alternatives for faculty in "over-staffed" departments.

   a) The UW System should create a program which makes available early retirement incentives for faculty on a selective basis, and should initiate any administrative, legislative or legal steps necessary to make it operational. (This step is of such importance that the System, if at all possible fiscally, should launch selective availability of early retirement incentives within the next year. At the same time, we urge state government to extend the current statutory authorization for early retirement incentives, and to continue development of improved approaches to early retirement which would apply to the state retirement system as a whole.)

b) System Administration should intensify its efforts to assure that before a lay-off is contemplated at one institution for a staff member who could meet the needs and requirements of another institution, both institutions recognize this fact, and have incentives to act upon it.

c) The institutions of the UW System, working with state government and/or the private sector, should develop a "talent bank" which links job needs in Wisconsin outside of the University System for highly-educated individuals, to faculty members who may become available for such jobs, and provides assistance and support for any necessary retraining.

d) Individual institutions should explore alternatives for improving staffing flexibility tested elsewhere (both within and outside the System), such as different ways of distributing nine months of service over twelve months of activity.

2) Intensification of current faculty retraining and renewal efforts within the UW System.

3) Clarification of the roles, responsibilities and expectations of instructional academic staff in the UW System as the use of such appointments relates to institutional teaching needs, workload assignments, faculty responsibilities, and decisions on meeting particular instructional needs through use of an academic staff appointment, rather than a faculty appointment, or vice versa.

The use of non-permanent instructional academic staff to meet short-term instructional needs of an institution has been an important and necessary personnel management concept in the 1970's. At the same time, the rapid growth in the use of such appointments has led to serious concern in a number of faculties and within the System as a whole about the relationships appropriate to faculty and academic staff, and about the criteria used in funding and employment decisions. While progress has been substantial in resolving such issues at many institutions, additional clarification should be sought promptly. The President should seek through multiple means to establish such clarification prior to July 1, 1980.

4) Clarification of ambiguities in existing personnel policies and rules.

If and when decisions need to be made about the lay-off of particular faculty members, there can be no room for confusion between System-wide personnel rules, and departmental, college or institutional guidelines, perspectives or "policies," on questions such as the application of criteria other than seniority to lay-off decisions within departments, or the relevance of affirmative action considerations to lay-off decisions. A review has already been undertaken of existing System-level personnel policies and rules. The President should quickly follow up that review with an initiative which leads to a complete inventory and evaluation of the UW System's personnel framework. If necessary, legal interpretations should be sought, or changes in existing rules proposed, if these steps are required to assure clarity and consistency.

Implicit in all our recommendations is the belief that particular attention needs to be focused at both the System and the institutional level on the implications of any contemplated personnel management approach for university affirmative action efforts, and for those aspects of faculty quality and vitality which are not subject to easy quantification, because they may not become fully apparent for another generation. We cannot afford to manage personnel dislocations resulting from enrollment declines in a fashion which comes at the expense of either those who may have been victimized in the past, or those who will look to the university for first-rate learning in the future.

ENROLLMENT-RELATED FUNDING

An enrollment funding formula is a way of relating the workload of a teaching institution (or the demand for its services) to its budget. In the absence of political intervention, it builds into the budgetary process an automatic response to changes in the demand for public services. In a period of enrollment growth, funding for instructional costs will increase incrementally. In a period of enrollment decline, proportionate reductions will be made in the base budget for instruction.

In 1979-80, the budget for the entire University of Wisconsin System was $949 million. Of this, 33.7%, or $320.1 million was funding supported by the state's enrollment funding formula. Seventy-two percent of these monies ($230.5 million) were general purpose revenue dollars, with the remainder funded out of tuition and fees. In 1979-80, the instructional budget of the UW System was $294.2 million. Of this, 89.8% or $264.2 million was funding supported by the enrollment formula ($190.2 million GPR). The enrollment funding formula is the primary vehicle for the support of the teaching mission of the University--i.e., instruction, academic and student support services. The formula does not fund research activities, teaching hospitals, physical plant costs, or other non-instruction related elements of the UW budget.

The automatic nature of the workings of the enrollment funding formula--and the fact that it relates to the area of University services and functions where demand will be going down in the 1980's (i.e., instruction, as distinguished from research or hospital activities)--means that enrollment funding is one aspect of university finances in the future which must be addressed now, as we review the problems associated with managing the University System in an era of enrollment decline, and the possible need for new initiatives. Our conclusions from this review are as follows:

*The use of an enrollment funding formula has advantages for both the State and the UW System.

For elected officials, who must decide upon the allocation of state tax dollars to public higher education, an important advantage of an enrollment funding formula is that it insulates them from narrow programmatic decisions--which course, which professor, which program or major to add or subtract. In an era of growth, such decisions frequently are costly and contentious and may be quickly branded as political interference. In an era of reduced enrollments, such decisions can only be described as political dynamite. Use of an enrollment funding formula to budget in these situations assures that:

* Hard choices will be made (i.e., funding will reflect enrollments, and program contractions will necessarily follow).

* Decisions as to which program to reduce, or which individual to nonrenew, will be made within academic and institutional frameworks, where they will have the most legitimacy and greatest possibility of being reflective of educational priorities.

The corollary of insulation for elected officials from educational program choices is independence for university teachers and scholars. Use of the formula approach to instructional funding provides fiscal reinforcement to the historical and legal role of faculty, staff and the Board of Regents in the establishment of educational priorities and missions within the University of Wisconsin System. The formula forces the establishment of priorities, but it does not dictate which ones. In this way, taxpayer concerns can be addressed, while the independence of the University System is maintained.

The funding formula is designed to add to or subtract from the base budget of the University System for its teaching mission, in response to changes in teaching workloads. The formula is not a mechanism for addressing inadequacies in the University's base budget. This may be viewed as a weakness or a strength, depending upon perspective. For managerial purposes, it at least provides the assurance of some stability in budgeting growth or contraction over time. The formula is intended to fund variable costs. Properly implemented, this makes Wisconsin's formula a much more appropriate and useful funding approach than the methodologies used by most other states. Under the current formula, 90% of instructional costs are assumed to vary with enrollments, 65% of academic support service costs, and 60% of student service costs.

*The UW Enrollment funding formula must be made more accurate, if enrollment decline in the 1980's is to be effectively managed.

In a period of enrollment decline, the enrollment funding formula requires a "give-back" (which is really a "reduction in funding"). As a result of this reduction, some resources must be taken out of the base. If the formula is built on inaccurate assumptions, the "slope" of the give-back (the rate at which it increases in relation to enrollment reductions) can impact dramatically on the process of managing the contraction of educational programs. With the most accurate of formulas, cutting into the base is, of necessity, a painful process. But such cuts, if properly managed, will primarily affect quantity (e.g., the number of sections and instructors), and not the quality of the programs students take. This is not true if the formula is inaccurate. For example, if the formula underestimates the role of nonvariable costs (fixed costs) which are unrelated to enrollment and cannot be contracted when enrollment declines, quantity-related cuts in the base will have to be accompanied by qualitative program reductions.

Potential or apparent problems with the current formula (particularly in a period of enrollment decline) include the following:

1. In the instructional program, no classroom or laboratory activity is defined as a fixed cost.

   The formula is designed to fund instructional costs which vary with enrollments--but its current estimate of the fixed costs of instruction is based on assumptions which appear to be invalid. Only about 10% of the instructional budget, that related to college deans, department chairpersons and their clerical support, is presently defined as fixed. This definition is inadequate, because it ignores the need to have at least one section per course, and an array of classroom and laboratory activities to make available the instruction necessary to provide degree opportunities in an approved area. When this dimension of the fixed cost question is considered, the portion of the instructional budget that should not vary directly with enrollment levels could increase to about 40% for the larger institutions and as much as 70% for the smaller institutions.

2. The formula ignores the costs of changes in the headcount and FTE student relationships.

   The enrollment funding calculation is based entirely on student credit hours (using average cost per student credit hour by level and discipline grouping). It, therefore, ignores several types of costs that are a function of headcount or "second shifts" for late evening course offerings.

3. The five-year average enrollment variable has worked less well than expected.

   Currently, the funding formula is "driven" by credit hour distributions related to a five-year average of enrollments. The purpose of this approach was sound--to dampen the effects of enrollment fluctuations and thereby increase stability in fiscal planning assumptions. However, the current technique may introduce more complications and problems than it resolves.

4. The formula is not immediately responsive to purchasing power losses due to inflation.

   In the budgeting practices of state government, the formula has operated in one compartment of funding decisions and the problem of inflation has been considered in another compartment, without an attempt to relate the two. In the second compartment, state decisions have not kept up with inflation (e.g., currently, less than half the money needed to maintain constant purchasing power for supplies on a per student basis). In a time of high inflation, the legitimacy of a formula within a funding approach that is not responsive to purchasing power losses due to inflation may be undermined, to the extent that it cannot be used to understand and govern the relationship between workload, funding, and quality.

5. The formula is too sensitive to small, unanticipated changes in enrollments.

   The 1978-79 experience is illustrative of this point. The enrollment projections were high by only .45% on a headcount basis and 1.7% on a student credit hour basis, but the formula recalculations produced a $7 million drop in budget expectations for the biennium.

6. The currently rigid tie between dollar and position adjustments appears to be unrealistic.

   Over time, a direct, unbreakable formula relationship between dollar calculations and position adjustments has evolved in the state formula. These position determinations are based on assumptions taken from Systemwide averages, which are rarely applicable to particular operational situations. In a period of contraction, they may introduce unreasonable requirements into decision-making at the institutional level.

7. Disproportionately large losses of nonresidents can expand enrollment funding reductions.

   A GPR/Fee split of the enrollment funding calculation is currently determined in the legislative review prior to the operation of the formula in a particular year. For example, it is 72% GPR/28% Fee for 1979-80. This split is based on certain assumptions about the mix of residents and nonresidents (who pay a substantially larger amount of fee/tuition per person). If the assumptions are wrong, and a disportionately large shortfall in the nonresident category occurs, funding will prove inadequate.

*System Administration should work with the Legislature and State Government to develop a modified formula which may be introduced in time for the planning of 1981-83 biennial budget.

At a minimum, the modified formula should:

1. Provide an adequate representation of fixed and variable costs.

   If educational quality is to be maintained, withdrawal of funding during a period of enrollment decline must be limited to those costs which are truly variable. This means that it is crucial for an enrollment funding formula to: (a) reflect an accurate determination of fixed costs; (b) recalculate the actual fixed cost percentages with the same frequency as funding adjustments are made. (If these changes are made, it is also critical that the University System establish internal safeguards or benchmarks to assure that with program contractions, distortions do not occur which are related to inadvertant incentives contained in a revised funding formula.)

2. Be able to accommodate changes in student characteristics and their program interests.

   The existing enrollment funding formula provides recognition of the impact of certain student characteristics (e.g., student level and discipline groupings) on the costs of instruction and support activities. This recognition may not be adequately responsive to some kinds of program shifts. Other student characteristics may also need to be reflected in the formula. In particular, a change from a full-time student body to one which is a mix (e.g., both part-time and full-time) may result in a pattern of costs which are not fully reflected in the current formula.

3. Allow the phased adjustment of funding (up or down) within planning horizons (time-frames) appropriate for variable costs and for fixed costs.

   The planning and execution of program reduction in a rational and humane manner require two seemingly contradictory ends: greater certainty (for planning) and greater flexibility (for execution). Reconciling these goals must be the purpose of the approach adopted for the phasing of funding changes.

*A major concern in the review of funding alternatives for the UW System must be their impact on student access as reflected in tuition and fees.

The Legislature has expressed its concern about University tuition policy in the 1980's by mandating a separate study of some of the issues involved. We share that concern. Every approach to enrollment funding must be reviewed from this special perspective. This is one area where innovations, such as the Minnesota-Wisconsin compact, can pay dividends for everyone associated with the University. With the support of elected officials, the University System should actively explore further such innovations.

In general, this review has given us confidence in the capability of the UW System to manage effectively in a climate of austerity and retrenchment. We have looked at most of the "worst cases," and found them painful, but not outside of the capacity of faculty and administrators to anticipate and respond. One "worst case" we have not considered is the possibility of significant base budget cuts, in addition to the severe reductions which will automatically be required under the enrollment funding formula, as it currently functions.

It is not a possibility we like to think about, because it will, in accord with long-standing Regent policy, mean that access of students somewhere in Wisconsin will have to be limited. Program quality can be maintained throughout the System in a period of enrollment decline if funding reductions are rationally related to costs associated with varying levels of enrollment. Significant cuts which occur outside of this framework cannot be shared throughout the System, on top of the across-the-board cuts forced by inflation, without quality suffering to a dangerous degree.

Turning Necessity into Virtue: Some Creative Alternatives
(For future study and action)

- Development of a new, innovative fee structure for out-of-state students, which provides an incentive for more students to come to the University of Wisconsin System, when and where institutions are not being used up to their full instructional capacity. (The state has been slow to examine the net economic return to Wisconsin which flows from greater rather than lesser use of our educational resources.)

- Pursuit of educational compacts with neighboring states, and with states in regions of this country (and foreign countries) where the demand for higher education will increase in the 1980's, and where considerable savings may result to both governments if the high cost of duplicating Wisconsin's educational facilities is not incurred.

- Promotion and creation of regular educational leave, or "sabbatical" programs as a fringe benefit for private and public employees, by labor unions, industry and state and local government. (There is good reason for believing that such investments more than repay their cost through increases in productivity.)

- Adaptation of program, curricular and support activities of institutions within the UW System to facilitate greater use by our expanding adult population.

- Exploration of new patterns of service and involvement by institutions and faculties with their communities, which will lead to an increasing demand on their facilities and resources, and private funding support for that demand.

CONCLUSION

Nearly a century ago, the great historian and University of Wisconsin Professor Frederick Jackson Turner found the animating principle of American history in the pursuit of freedom and plenty symbolized by the movement west. The "closing of the frontier" in 1890 was the first great limit on the American self-conception. But it was also a moment for coming of age, for finding in the human imagination and the pursuit of knowledge a freedom and a sense of possibilities which could open up unlimited frontiers into the future.

The energy and resource shortages of our time imply the closing of another frontier. If the university has any special claim to resources in an era of limits, it arises from its record, sustained over many generations, of helping this society to understand, to cope with, and ultimately, to surpass such limits. No other institution can match that record. But in an era of limits, the university also has a special responsibility. It too must come of age. We must accept that responsibility, and the hard choices which go with it.

That is what this report—and the steps which will follow it--are all about. With the support of the people of the State of Wisconsin, we will respond to enrollment decline and austerity with tough-mindedness, but also with creativity and vision. The university's future is the future's stake in the university.

APPENDICES

I. INTRODUCTION TO APPENDICES

(Describes the process the System went through in responding to the legislative mandate: Who and what was involved.)

II. BASIC ENROLLMENT AND FISCAL DATA: YESTERDAY, TODAY AND TOMORROW (1970-1990)

III. REPORT OF TH[illegible]REGENTS' EDUCATION COMMITTEE ON THE MISSIONS OF THE UNIVERSITIE[illegible] AND CENTERS OF THE UW SYSTEM

IV. Management of Enrollment Decline: Thoughts and Approaches

A. Concept Paper: EFFECTIVE MANAGEMENT OF UW SYSTEM ACADEMIC RESOURCES IN A PERIOD OF PROJECTED ENROLLMENT DECLINE

(Outlines a framework for approaching the management of the System in an era of enrollment decline, including a detailed examination of the Special Planning Process. Attached is a summary document giving institutional responses to an earlier version of this paper.)

B. ACADEMIC PROGRAM EVALUATION

(An historical review of program audit and review procedures and their effectiveness.)

C. ADJUSTING PHYSICAL PLANT OPERATIONS TO DECLINING ENROLLMENT AND PROGRAM OPERATIONS

V. Instructional Staff in an Era of Enrollment Decline: Realities and Implications

A. Concept Paper: INSTRUCTIONAL STAFF REQUIREMENTS AND PERSONNEL POLICIES DURING A PERIOD OF ENROLLMENT DECLINE

(Provides an overview of the personnel framework in which the UW System operates, discusses present and future profiles of instructional staff, and makes recommendations.)

B. INSTRUCTIONAL STAFF PROFILE: YESTERDAY, TODAY AND TOMORROW (1970-2000)

C. UW SYSTEM PERSONNEL POLICIES: A SUMMARY OF CURRENT PROCEDURES AND WHERE THEY COULD BE IMPROVED

VI. Enrollment Funding in the 1980's: The Alternatives

Concept Paper: THE UNIVERSITY OF WISCONSIN SYSTEM ENROLLMENT FUNDING FORMULA: SOME PROBLEMS AND ALTERNATIVES

(Uses a question and answer format to explain the enrollment funding formula and the areas in which it could be improved.)

VII. Creative Alternatives in a Period of Enrollment Decline

Concept Paper: TURNING NECESSITY INTO VIRTUE: CREATIVE POSSIBILITIES FOR THE UNIVERSITY'S FUTURE

(Reviews some of the positive measures which may lead to improved quality and vitality in the University System in the 1980's, as it faces up to the problem of enrollment decline.)

VIII. RELEVANT REPORTS AND DOCUMENTS: A LISTING

(Cross-reference of planning reports and other documents related to the recommendations contained in the November 30 Report, but not included in the appendices.)